POLICY & PRACTICE

Improper Payments Increase

Medicare made approximately $20 billion in improper payments in fiscal year 2004, a report from the Centers for Medicare and Medicaid Services has found. The sum included $900 million in underpayments to providers due to errors made by insurers and $20.8 billion in overpayments made to providers. Medicare hopes to cut the rate of erroneous payments by more than half, to 4%, in 2008 by conducting more extensive payment reviews and by implementing other quality control measures. "We have made significant strides in how we measure the error rate in Medicare payments, and that will enable us to do even more to bring it down," commented Mark McClellan, M.D., CMS administrator. "We have much better data that will help us pinpoint problems and allow us to work with the Medicare contractors and providers to make sure claims are submitted and paid properly."

Patients Turn to CAM

Discouraged by the high cost of conventional treatments, 6 million Americans turned to complementary and alternative medicines in the past year to treat conditions such as depression and chronic pain, the Center for Studying Health System Change reported. People using these approaches to save money are often uninsured and usually lack a medical home. Although the price is right, these alternative treatments "may be of questionable value," said HSC President Paul Ginsburg, Ph.D. About 63% of the respondents said they used herbal remedies, yet two of the most popular remedies—St. John's wort and kava—have been known to cause serious side effects. In more than half these cases, a conventional medical professional was unaware of a patient using an alternative treatment. The study was based on the 2002 National Health Interview Survey, a government survey that includes information on 31,000 adults.

Treating Men's Depression

Improving primary care treatment for depression might help narrow the "gender gap" that leaves a greater proportion of depressed men untreated, according to a study from the Rand Corp. Researchers assigned 46 primary care practices to provide either usual care for depression or an improved treatment regimen that educated providers and patients about available depression treatment. Among practices that

used an improvement program, rates of depression treatment increased for both sexes, but some treatment approaches increased care for men more than for women. "The findings suggest that quality improvement programs may help reduce the treatment disparity seen among the estimated 6 million depressed men in the United States," the researchers said.

Bioterrorism Preparedness Update

States have made progress in protecting Americans from a bioterrorism, but they have a long way to go, a report from Trust for America's Health (TFAH) concluded. Nearly 60% of states do not have adequate numbers of laboratory scientists to test for anthrax or the plague in the event of a suspected outbreak, and two-thirds do not electronically track disease outbreak information by national standards, making early warning difficult. Only six states are adequately prepared to distribute vaccines and antidotes in an emergency. Although planning for a flu pandemic has improved, 20 states still do not have publicly available response plans. To improve preparedness, TFAH, a nonprofit, nonpartisan organization that focuses on disease prevention, recommended a systematic review of preparedness gaps, conducting practice drills to assess capabilities and vulnerabilities, and limiting liability to encourage vaccine development and protect health care workers.

Concern About the Iodide Stockpile

The Department of Health and Human Services needs to do more to ensure an adequate stockpile of potassium iodide (KI) in case of an accident or attack involving a nuclear power plant, Rep. Edward J. Markey (D-Mass.) said in a letter to HHS. Rep. Markey sponsored an amendment to the Bioterrorism Act directing HHS to make KI available to state and local governments for distribution to anyone living within 20 miles of a nuclear power plant. "I am deeply disappointed by the continued delays in implementing this program," Rep. Markey wrote. He noted that after the Chernobyl nuclear accident, numerous thyroid cancers occurred in Belarusian children, but none occurred in Polish children, because Poland quickly administered KI. The American Thyroid Association also criticized HHS, charging that the draft guidelines HHS issued to deal with the problem "interfere with, rather than assist and encourage, states and localities in obtaining KI as a preparedness measure."

No Global Cloning Ban

The United Nations could not come to a consensus to approve a global ban on all forms of human cloning. The United States and Costa Rica had led an effort to ban all cloning, including so-called therapeutic cloning, but the treaty did not draw enough support. But groups such as the Coalition for the Advancement of Medical Research have urged the United Nations to reject a wide-ranging ban that would apply to cloning that could aid in medical research and the development of therapies. "We're very gratified that the U.N. has backed away from an overreaching treaty that could harm medical research and hinder possible cures for millions throughout the world," Daniel Perry, president of the coalition, said in a statement.

Doctors Bilked in Insurance Scam

The U.S. Department of Justice has frozen over $500 million in bank and investment accounts that department officials say represent booty from a fraudulent tax avoidance scheme. The department issued a temporary restraining order against xélan Inc. and related entities. Federal officials alleged that the company, based in San Diego, advised thousands of doctors and other medical professionals to place their income in various tax schemes involving supposed "supplemental insurance products" or improper charitable deductions. The Internal Revenue Service estimates that the 4,000 doctors who participated may owe as much as $420 million in taxes, interest, and penalties. A temporary receiver has been named to guard assets and handle claims; doctors who want to file a claim or get information on the case should contact the receiver, William "Biff" Leonard, at biffer@sprynet.com or by calling 702-262-9322.

Group Pays $1.8 Million Settlement

Temple University Physicians has agreed to pay almost $1.9 million to settle civil charges arising from an investigation into the group's Medicare Part B billing practices. HHS audited Medicare Part B claims submitted by the group between July 1995 and July 1996 and concluded that the group lacked sufficient documentation to support some claims, and that some of the claims represented a greater level of service than was actually provided. "Through this settlement we are protecting the integrity of the Medicare system on which our senior citizens depend for their critical health care coverage," Patrick Meehan, U.S. Attorney for the Eastern District of Pennsylvania, said in a statement on behalf of HHS. Temple University Physicians denies both the government's allegations and any liability relating to them.

—Jennifer Silverman